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MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE, MARKETING AREA

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Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411
J. E. Bobo, Market Administrator

MARKET SUMMARY - FEBRUARY 1975

The Chattanooga Order MINIMUM uniform producer price is \$8.49 per cwt. at pool plants for milk testing 3.5% butterfat. The producer butterfat differential is 7.8 cents for each one-tenth of one percent above or below 3.5% test. This is a price decrease of 91 cents below February 1974 and a decrease of 7 cents below January 1975.

In February 1975, 77.7% of producer milk received by pool plants was priced in Class I at \$8.95 per cwt., 8.2% was priced in Class II at \$6.95 per cwt and 14.1% was priced in Class III at \$6.85 per cwt. for milk testing 3.5% butterfat. The February butterfat differential for all milk testing above or below 3.5% is 7.8 cents.

Total producer milk received at pool plants during February 1975 was 27,677,197 pounds which is a decrease of 1,821,085 pounds or a daily average decrease of 6.2% compared with February 1974. The February daily average deliveries from 601 producers was 1,645 pounds. This compares to 738 farms delivering a daily average of 1,428 pounds per day during February 1974.

MILK PRODUCTION

FEBRUARY MILK PRODUCTION VIRTUALLY SAME AS LAST YEAR

Milk production during February is estimated at 8,768 million pounds, practically unchanged from a year earlier but nearly 2 percent below February 1973. February production provided 1.47 pounds of milk per person daily for all uses compared with 1.48 a year ago and 1.52 for February 1973.

PRODUCTION PER COW UP 4 POUNDS, MILK COWS DOWN FRACTIONALLY

February milk production per cow was 783 pounds, up 4 pounds from a year earlier and 10 pounds above February 1973.

Milk cows on farms during February totaled 11,192,000 head, down 0.5 percent from February 1974.

FEBRUARY MILK-FEED PRICE RATIO

The February milk-feed price ratio was up 6 percent from January, but 9 percent below February 1974. The relatively sharp decline in the value of rations from a month ago compared with a rather small reduction in the price of milk sold to plants resulted in the 6 percent increase in the milk-feed price ratio over January.

Source: Milk Production - USDA, Statistical Reporting Service, March 12, 1975

COMPARISON OF MILK RECEIPTS AND UTILIZATION 1/
(DAILY AVERAGE POUNDS)

	% Feb. '75 Over Feb. '74	Feb. 1975	Jan. 1975	Feb. 1974
Number of Plants - Pool		4	4	4
- Non-Pool		15	15	13
<u>RECEIPTS</u>				
Pool Plants - Producer Milk	- 6.2	988,471	920,865	1,053,510
- Other Source	-15.7	49,615	53,642	58,873
- Other Federal Orders	-81.8	4,313	7,703	23,735
Non-Pool Plants - Cl. I Sales in Area	-32.6	65,906	65,446	97,768
TOTAL MILK RECEIPTS	-10.2	1,108,305	1,047,656	1,233,886
<u>UTILIZATION</u>				
<u>Class I Uses</u>				
Homo Milk	+ 7.7	402,309	406,703	373,481
2% Milk	+26.6	251,629	248,181	198,768
Skim	+ 1.6	21,487	21,171	21,153
Buttermilk	+ 9.0	58,170	60,247	53,380
Flavored Milk and Drink	+29.7	34,127	32,395	26,306
Sub-Total of Pkg. Items (Pool Plants)	+14.1	767,722	768,697	673,088
Other		11	130	
Sales to Non-Pool Plants	-76.6	3,280	3,271	14,006
In Area Sales by Non-Pool Plants	-32.6	65,906	65,446	97,768
TOTAL CLASS I USAGE		836,919	837,544	
<u>Class II Uses - Pool Plants only</u>				
Sweet Creams - Routes	+ 9.1	2,167	2,060	1,986
Sour Cream and Dip - Routes	+13.1	1,656	1,627	1,464
Yogurt - Routes	+50.6	527	377	350
Ice Cream	+15.5	65,072	64,964	56,322
Other		55,653	47,487	
Sales to Non-Pool Plants		5,423	6,503	
TOTAL CLASS II USAGE		130,498	123,018	
<u>Class III Uses - Pool Plants only</u>				
Animal Feed and Dumped	-24.9	4,917	4,667	6,543
Class III Shrinkage		11,953	13,389	
Inventory Variation		(5,462)	4,588	
Other, Overage, etc.		30	40	
Bulk Sales to Non-Pool Plants		129,450	64,410	
TOTAL CLASS III USAGE		140,888	87,094	
<u>IN AREA PACKAGED ROUTE DISPOSITION</u>				
<u>BY POOL PLANTS AND NON-POOL PLANTS</u>				
Homo Milk	- 4.5	313,375	317,126	328,062
2% Milk	+22.6	179,067	170,917	146,095
Skim and 1% Milk	- 2.6	15,882	15,732	16,312
Buttermilk	- 0.5	45,121	46,722	45,354
Flavored Milk and Drink	+13.2	27,964	26,480	24,706
Total Class I Disposition In-Area	+ 3.7	581,409	576,977	560,529
<u>CLASS I PKG. ROUTE DISPOSITION</u>				
In-Area by Pool Plants	+11.3	515,503	511,531	463,163
In-Area by Non-Pool Plants	-32.3	65,906	65,446	97,366

1/ The Order was amended effective August 1, 1974 to provide for a three use classification. Therefore, comparison with previous months are not made for all items of use.

COMPUTATION OF PRODUCER UNIFORM PRICE

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FEBRUARY 1975	Class Percent	Butterfat Pounds	Product Pounds	Cwt. Price @ 3.5%	Total Value
Class I Producer Milk	77.738	552,502	21,515,730	\$8.95	\$1,925,657.84
Class II Producer Milk	8.157	184,390	2,257,572	6.95	156,901.25
Class III Producer Milk	14.105	328,008	3,903,895	6.85	267,416.81
TOTAL PRODUCER MILK	100.000	1,064,900	27,677,197		\$2,349,975.90
Add Value of Overages					322.73
Add Inventory Reclassification Charges					33.69
Add Value of Class I Other Source Milk and Producer Location Adjustment					-0-
Add $\frac{1}{2}$ Producer-Settlement Fund Balance					10,825.75
Total Utilization Value @ 3.5% Test			27,677,197	\$8.531059	\$2,361,158.07
Less Producer-Settlement Fund Reserve			27,677,197	.041059	11,363.98
PRODUCER UNIFORM PRICE @ 3.5% TEST			27,677,197	\$8.49	\$2,349,794.09

FEBRUARY 1975 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANTS
BUTTERFAT DIFFERENTIAL 7.8¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$8.10	3.6	\$8.568	4.2	\$9.036	4.8	\$9.504	5.4	\$ 9.972
3.05	8.139	3.65	8.607	4.25	9.075	4.85	9.543	5.45	10.011
3.1	8.178	3.7	8.646	4.3	9.114	4.9	9.582	5.5	10.05
3.15	8.217	3.75	8.685	4.35	9.153	4.95	9.621	5.55	10.089
3.2	8.256	3.8	8.724	4.4	9.192	5.0	9.66	5.6	10.128
3.25	8.295	3.85	8.763	4.45	9.231	5.05	9.699	5.65	10.167
3.3	8.334	3.9	8.802	4.5	9.27	5.1	9.738	5.7	10.206
3.35	8.373	3.95	8.841	4.55	9.309	5.15	9.777	5.75	10.245
3.4	8.412	4.0	8.88	4.6	9.348	5.2	9.816	5.8	10.284
3.45	8.451	4.05	8.919	4.65	9.387	5.25	9.855	5.85	10.323
3.5	8.49	4.1	8.958	4.7	9.426	5.3	9.894	5.9	10.362
3.55	8.529	4.15	8.997	4.75	9.465	5.35	9.933	5.95	10.401

PRODUCER MILK BASE - 1975

The Federal Order milk producer bases were announced February 28, 1975. These milk bases were calculated for each producer from milk delivered to Chattanooga area pool plants during the months of September 1974 thru January 1975. The Federal Order milk base will be used for "pooling" and computing the Federal Order producer Base and Excess price for each of the months of March through July 1975.

An entire Chattanooga Federal Order base which is assigned to a producer may be transferred from a person holding such base to any other person effective as of the end of any month during which an application for such transfer is received by the Market Administrator, such application to be on forms approved by the Market Administrator and signed by the base-holder, or his heirs and by the person to whom such base is to be transferred. A milk base that is held jointly (partners) may be transferred if the application is signed by all joint holders.

A complete copy of the Chattanooga Federal Order Base - Excess rules was shown on the producer Base announcement for information to each producer.

CHATTANOOGA ORDER MINIMUM MILK PRICES (3.5 PERCENT TEST)

Date	PRODUCER UNIFORM PRICES 1/				HANDLER CLASS PRICES 1/ 4/		
	Per Hundredweight				Class I	Class II	Class III
	Uniform	Base	Excess	Bf. Dif.	Cwt.	Cwt.	Cwt.
Feb. '74	\$9.40	-	-	7.8¢	\$10.09	\$8.14	
Mar.	9.51 2/	\$9.85	\$8.15	7.8	10.25	8.15	
Apr.	9.33 2/	9.81	7.73	8.0	10.29	7.73	
May	9.17 2/	9.89	6.93	7.6	10.30	6.93	
June	8.50 2/	9.17	6.31	7.2	9.88	6.31	
July	8.20 2/	8.66	6.29	7.2	9.08	6.29	
Aug.	8.21	-	-	7.7	8.46	6.49	\$6.39
Sept.	8.20	-	-	7.8	8.44	6.79	6.69
Oct.	8.35	-	-	7.9	8.54	6.92	6.82
Nov.	8.66	-	-	7.9	8.84	6.86	6.76
Dec.	8.43	-	-	7.5	8.97	6.51	6.41
Jan. '75	8.56	-	-	7.7	8.91	6.90	6.80
Feb.	8.49	-	-	7.8	8.95	6.95	6.85
Mar.	-	-	-	-	9.00	-	-
Apr.	-	-	-	-	9.00	-	-

Date	PRICE QUOTATIONS			PRODUCER MILK USE 4/					
	Chi. 92° Butter	Chi. Area Powder	Minn/Wisc. Mfg. Milk	(Daily Average)			Percentage Use		
	¢ Lb.	¢ Lb.	Cwt. - 3.5%	Class I Pounds	Class II Pounds	Class III Pounds	Cl. I	Cl. II	Cl. III
Feb. '74	64.07	57.75	\$8.14	691,834	361,676		65.7	34.3	
Mar.	68.06	61.52	8.15	723,583	404,160		64.2	35.8	
Apr.	68.23	68.73	7.73	744,227	434,702		63.1	36.9	
May	60.51	66.22	6.93	804,711	378,718		68.0	32.0	
June	60.57	58.45	6.31	697,373	443,971		61.1	38.9	
July	60.83	56.52	6.29	715,569	324,116		68.8	31.2	
Aug.	67.08	57.05	6.39	719,339	89,630	19,000	86.9	10.8	2.3
Sept.	67.71	56.93	6.69	729,330	71,550	51,283	85.6	8.4	6.0
Oct.	68.84	56.91	6.82	745,752	68,293	34,930	87.8	8.1	4.1
Nov.	68.88	56.94	6.76	782,226	56,786	32,846	89.7	6.5	3.8
Dec.	65.32	56.74	6.41	725,078	60,395	136,814	78.6	6.6	14.8
Jan. '75	66.82	56.73	6.80	764,045	72,610	84,210	83.0	7.9	9.1
Feb.	68.07	59.24	6.85	768,419	80,627	139,425	77.7	8.2	14.1

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLERS GROSS MILK 3/			PRODUCER DATA					
	No. Hdlers	Total Receipts	Class I Use 4/	Pool Plants	No. Prod.	Total Delivery	Base Delivery	Average Test-%	Av. Per Farm
Feb. '74	17	1,233,886	790,532	4	738	1,053,510	-	3.87	1,428
Mar.	17	1,275,930	783,913	4	701	1,127,743	909,675	3.74	1,609
Apr.	18	1,406,083	806,245	4	750	1,178,929	913,117	3.73	1,572
May	18	1,393,911	868,280	4	749	1,183,429	899,410	3.67	1,580
June	18	1,302,939	753,227	4	722	1,111,344	877,774	3.61	1,581
July	18	1,178,805	765,797	4	731	1,039,685	841,605	3.59	1,422
Aug.	17	983,351	818,969	3	579	827,969	-	3.62	1,430
Sept.	17	990,981	805,362	3	561	852,163	-	3.64	1,519
Oct.	18	1,009,566	848,006	4	517	848,975	-	3.77	1,642
Nov.	18	1,001,646	862,322	4	549	871,858	-	3.81	1,588
Dec.	18	1,030,894	790,484	4	616	922,287	-	3.94	1,497
Jan. '75	19	1,047,656	837,544	4	525	920,865	-	3.89	1,754
Feb.	19	1,108,305	836,919	4	601	988,471	-	3.85	1,645

1/ Excludes Premiums

2/ Weighted Average Price

3/ Other Source is Gross minus Producer

4/ Order amended Aug. 1, 1974 to provide for three classes of utilization; therefore, not comparable in all categories to previous months.